

CHAPTER 27

[Substitute House Bill No. 39]

SUNSET REVIEW PROCEDURES REVISED—SELECT JOINT COMMITTEE ON
SUNSET REVIEW CREATED

AN ACT Relating to sunset review; amending section 1, chapter 153, Laws of 1965 as last amended by section 42, chapter 158, Laws of 1979 and RCW 18.44.010; amending section 29, chapter 156, Laws of 1977 ex. sess. and RCW 18.44.215; amending section 2, chapter 212, Laws of 1971 ex. sess. and RCW 18.104.020; amending section 3, chapter 289, Laws of 1977 ex. sess. and RCW 43.131.030; amending section 4, chapter 289, Laws of 1977 ex. sess. and RCW 43.131.040; amending section 8, chapter 289, Laws of 1977 ex. sess. and RCW 43.131.080; amending section 9, chapter 289, Laws of 1977 ex. sess. and RCW 43.131.090; amending section 12, chapter 289, Laws of 1977 ex. sess. as amended by section 2, chapter 22, Laws of 1979 and RCW 43.131.120; amending section 1, chapter 99, Laws of 1979 and RCW 43.131.150; adding a new section to chapter 18.44 RCW; adding a new section to chapter 43.131 RCW; decodifying RCW 43.131.151, 43.131.152, 43.131.155, 43.131.156, 43.131.157, 43.131.158, 43.131.161, 43.131.163, 43.131.164, 43.131.165, 43.131.166, 43.131.167, 43.131.168, 43.131.171, 43.131.172, 43.131.175, 43.131.176, 43.131.183, 43.131.184, 43.131.191, 43.131.192, 43.131.193, 43.131.194, 43.131.233, and 43.131.234; repealing section 8, chapter 245, Laws of 1971 ex. sess., section 12, chapter 156, Laws of 1977 ex. sess. and RCW 18.44.210; repealing section 9, chapter 212, Laws of 1971 ex. sess., section 55, chapter 34, Laws of 1975-'76 2nd ex. sess. and RCW 18.104.090; repealing section 9, chapter 260, Laws of 1981 and RCW 43.131.140; repealing section 86, chapter 99, Laws of 1979 and RCW 43.131.145; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 3, chapter 289, Laws of 1977 ex. sess. and RCW 43.131.030 are each amended to read as follows:

As used in this chapter the following words and phrases shall have the following meanings unless the context clearly requires otherwise.

(1) "Committees of reference" means the standing legislative committees designated by the (~~respective rules committees of the~~) senate and house of representatives to consider termination, modification, or reestablishment of state agencies pursuant to this chapter.

(2) "Person" includes every natural person, firm, partnership, corporation, association, or organization.

(3) "Regulatory entity" means any board, commission, agency, division, or other unit or subunit of state government which licenses or regulates one or more professions, occupations, industries, businesses, or other endeavors in the state of Washington.

(4) "State agency" includes every state office, department, board, commission, regulatory entity and agency of the state, and where provided by law, programs and activities involving less than the full responsibility of a state agency.

Sec. 2. Section 4, chapter 289, Laws of 1977 ex. sess. and RCW 43.131.040 are each amended to read as follows:

Any state agency scheduled for termination by the processes provided in this chapter may be reestablished by the legislature for a specified period of

time (~~((specified by law, but not to exceed six years. At the end of such period of time))~~) or indefinitely. The legislature (~~((shall))~~) may again review (~~((such))~~) the state agency in a manner consistent with the provisions of this chapter (~~((and RCW 43.06.010))~~) and reestablish, modify, or consolidate such state agency or allow it to be terminated.

Sec. 3. Section 8, chapter 289, Laws of 1977 ex. sess. and RCW 43.131.080 are each amended to read as follows:

(1) Following receipt of the final report from the legislative budget committee, the appropriate committees of reference in the senate and the house of representatives shall (~~((jointly))~~) each hold a public hearing, unless a joint hearing is held, to consider the final report and any related data. The committees shall also receive testimony from representatives of the state agency or agencies involved, which shall have the burden of demonstrating a public need for its continued existence; and from the governor or the governor's designee, and other interested parties, including the general public.

(2) When requested (~~((jointly))~~) by either of the presiding members of the appropriate senate and house committees of reference, a regulatory entity under review shall mail an announcement of (~~((the joint))~~) any hearing to the persons it regulates who have requested notice of agency rule-making proceedings as provided in RCW 34.04.025(1)(a), as now existing or hereafter amended, or who have requested notice of hearings held pursuant to the provisions of this section. On request of either presiding member, such mailing shall include an explanatory statement not exceeding one page in length prepared and supplied by the member's committee.

(3) The presiding members of the senate committee on ways and means and the house committee on appropriations may designate one or more liaison members to each committee of reference in their respective chambers for purposes of participating in (~~((the joint))~~) any hearing and in subsequent committee of reference discussions and to seek a coordinated approach between the committee of reference and the committee they represent in a liaison capacity.

(4) Following (~~((the joint))~~) any hearing under subsection (1) of this section by the committees of reference, such committees may (~~((separately))~~) hold additional meetings or hearings to come to a final determination as to whether a state agency has demonstrated a public need for its continued existence or whether modifications in existing procedures are needed. In the event that a committee of reference concludes that a state agency shall be reestablished or modified or its functions transferred elsewhere, it shall make such determination as a bill. No more than one state agency shall be reestablished or modified in any one bill.

Sec. 4. Section 9, chapter 289, Laws of 1977 ex. sess. and RCW 43.131.090 are each amended to read as follows:

~~((If terminated, a))~~ Unless the legislature specifies a shorter period of time, a terminated state agency shall continue in existence until June 30th

of the next succeeding year for the purpose of concluding its affairs: PROVIDED, That the powers and authority of the state agency shall not be reduced or otherwise limited during this period. Unless otherwise provided:

(1) All employees of terminated state agencies classified under chapter 41.06 RCW, the state civil service law, shall be transferred as appropriate or as otherwise provided in the procedures adopted by the personnel board pursuant to RCW 41.06.150;

(2) All documents and papers, equipment, or other tangible property in the possession of the terminated state agency shall be delivered to the custody of the agency assuming the responsibilities of the terminated agency or if such responsibilities have been eliminated, documents and papers shall be delivered to the state archivist and equipment or other tangible property to the department of general administration;

(3) All funds held by, or other moneys due to, the terminated state agency shall revert to the fund from which they were appropriated, or if that fund is abolished to the general fund;

(4) Notwithstanding the provisions of RCW 34.04.940, all rules made by a terminated state agency shall be repealed, without further action by the state agency, at the end of the period provided in this section, unless assumed and reaffirmed by the agency assuming the related legal responsibilities of the terminated state agency;

(5) All contractual rights and duties of a state agency shall be assigned or delegated to the agency assuming the responsibilities of the terminated state agency, or if there is none to such agency as the governor shall direct.

NEW SECTION. Sec. 5. There is added to chapter 43.131 RCW a new section to read as follows:

(1) The select joint committee on sunset review is hereby created.

(2) The committee shall consist of five senators and five representatives who shall be selected prior to the close of the regular session of the legislature in 1983 and before the close of each regular session during odd-numbered years thereafter as follows:

(a) The president of the senate shall nominate five senators, three members from the majority party and two members from the minority party and shall submit the list of nominees to the senate for confirmation. Upon confirmation, the senators shall be installed as members.

(b) The speaker of the house of representatives shall nominate five representatives, three members from the majority party, and two members from the minority party and shall submit the list of nominees to the house of representatives for confirmation. Upon confirmation, the representatives shall be installed as members.

(3) The committee shall fill any vacancies occurring on the committee by appointment from the legislative chamber whose member departs. Members filling vacancies shall serve until their successors are installed under subsection (2) of this section or until they are no longer members of the

legislature, whichever is sooner. All vacancies shall be filled from the same political party as that of the member whose seat was vacated.

NEW SECTION. Sec. 6. There is added to chapter 43.131 RCW a new section to read as follows:

The committee by majority vote shall select a chairperson.

Sec. 7. Section 12, chapter 289, Laws of 1977 ex. sess. as amended by section 2, chapter 22, Laws of 1979 and RCW 43.131.120 are each amended to read as follows:

(1) ~~((The speaker of the house of representatives and the president of the senate shall appoint a select joint committee consisting of ten members of the legislature within thirty days of June 17, 1977. The speaker shall appoint three members of the majority party and two members of the minority party. The president shall appoint three members of the majority party and two members of the minority party))~~ The committee shall be responsible for monitoring the schedule of agencies to be reviewed under this chapter, modifying this schedule to insure the effective operation of this chapter, and performing other duties necessary for the implementation of this chapter. The committee shall continue to be responsible for the development of legislation which provides ~~((a schedule))~~ as needed in a manner consistent with the terms of this chapter and of RCW 43.06.010 as now or hereafter amended. ~~((The termination of such state agencies shall occur over a period of four years, beginning on June 30, 1981.))~~ In the development of such legislation, the select joint committee shall:

(a) Identify state agencies which might appropriately be scheduled for termination ~~((and arrange for automatic termination of state agencies, with a reasonable number of state agencies to be terminated on June 30, 1981, and a reasonable number of state agencies to be terminated on June 30, 1983;))~~ under subsection (2) of this section. No more than one state agency shall be so identified or scheduled for automatic termination in any one section of such legislation;

(b) Seek to schedule state agencies with like goals, objectives, or functions for termination on the same date so as to better assure identification of duplicative activities and provide for appropriate modification or consolidation of state agencies to avoid future duplication; and

(c) Seek to schedule state agencies for termination in a manner which assures that as many committees of reference as possible have sufficient opportunity to develop experience in conducting reviews as provided pursuant to the terms of this chapter, and which assures that no such committee is given responsibility for review of an unreasonable number of state agencies during any legislative session.

(2) In identifying those state agencies to be scheduled for termination, the select joint committee shall consider, but not be limited to, the following factors where applicable:

(a) The extent to which the burden of compliance on the executive and legislative branches with the terms of this chapter is reasonable;

(b) The extent to which a state agency may serve the interests of a particular profession, occupation, or industry as opposed to the interests of the public;

(c) The extent to which a state agency may have outlived its original statutory purpose; and

(d) The potential for fiscal savings.

(3) The select joint committee (~~shall also be responsible for assisting in the implementation of the terms and provisions of this chapter and shall establish proposed~~) may propose procedures which facilitate legislative review as required by this chapter for presentation to the legislature. (~~Such~~) The committee (shall) may recommend legislative rules which assure effective and appropriate consideration of all bills and reports regarding termination, modification, consolidation, or reauthorization of state agencies scheduled for termination.

~~((4) Proposed legislation, recommendations, and findings shall be submitted to the legislature as soon as is practicable, but no later than the first day the legislature is in session after January 1, 1978.))~~

Sec. 8. Section 1, chapter 99, Laws of 1979 and RCW 43.131.150 are each amended to read as follows:

The state agencies and programs scheduled for termination (~~in RCW 43.131.151 through 43.131.234~~) under this chapter shall be subject to all of the processes provided in (~~RCW 43.131.010 through 43.131.110 as now existing or hereafter amended~~) this chapter.

NEW SECTION. Sec. 9. The following acts or parts of acts are each repealed:

- (1) Section 9, chapter 260, Laws of 1981 and RCW 43.131.140; and
- (2) Section 86, chapter 99, Laws of 1979 and RCW 43.131.145.

NEW SECTION. Sec. 10. RCW 43.131.151, 43.131.152, 43.131.155, 43.131.156, 43.131.157, 43.131.158, 43.131.161, 43.131.163, 43.131.164, 43.131.165, 43.131.166, 43.131.167, 43.131.168, 43.131.171, 43.131.172, 43.131.175, 43.131.176, 43.131.183, 43.131.184, 43.131.191, 43.131.192, 43.131.193, 43.131.194, 43.131.233, and 43.131.234 are each decodified.

*NEW SECTION. Sec. 11. *There is added to chapter 18.44 RCW a new section to read as follows:*

There is established an escrow commission of the state of Washington consisting of the limited practice board created by the supreme court of the state of Washington by its limited practice rule for closing officers. The commission shall be appointed by the supreme court of the state of Washington and shall have such duties and powers as shall be granted by the supreme court of the state of Washington. Any conflicts between orders, rules, and regulations promulgated by the limited practice board acting as

the state escrow commission and any provisions of this chapter shall be resolved in favor of orders or rules of the supreme court of the state of Washington or the limited practice board acting in behalf of the supreme court of the state of Washington and as the state escrow commission.

**Sec. 11. was vetoed, see message at end of chapter.*

**Sec. 12. Section 1, chapter 153, Laws of 1965 as last amended by section 42, chapter 158, Laws of 1979 and RCW 18.44.010 are each amended to read as follows:*

Unless the context otherwise requires terms used in this chapter shall have the following meanings:

- (1) "Department" means the department of licensing.*
- (2) "Director" means the director of licensing, or his duly authorized representative.*
- (3) "Escrow" means any transaction wherein any person or persons, for the purpose of effecting and closing the sale, purchase, exchange, transfer, encumbrance, or lease of real or personal property to another person or persons, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value to a third person to be held by such third person until the happening of a specified event or the performance of a prescribed condition or conditions, when it is then to be delivered by such third person, in compliance with instructions under which he is to act, to a grantee, grantor, promisee, promisor, obligee, obligor, lessee, lessor, bailee, bailor, or any agent or employee thereof.*
- (4) "Escrow agent" means any sole proprietorship, firm, association, partnership, or corporation engaged in the business of performing for compensation the duties of the third person referred to in RCW 18.44.010(3) above.*
- (5) "Certificated escrow agent" means any sole proprietorship, firm, association, partnership, or corporation holding a certificate of registration as an escrow agent under the provisions of this chapter.*
- (6) "Person" unless a different meaning appears from the context, includes an individual, a firm, association, partnership or corporation, or the plural thereof, whether resident, nonresident, citizen or not.*
- (7) "Escrow officer" means any natural person handling escrow transactions and licensed as such by the director: PROVIDED, That such person is also certified by the supreme court to select, prepare, and complete documents in connection with a sale, exchange, or transfer of property.*
- (8) "Escrow commission" means the escrow commission of the state of Washington created by (~~RCW 18.44.210~~) section 11 of this 1983 act.*
- (9) "Controlling person" is any person who owns or controls ten percent or more of the beneficial ownership of any escrow agent, regardless of the form of business organization employed and regardless of whether such interest stands in such person's true name or in the name of a nominee.*

**Sec. 12. was vetoed, see message at end of chapter.*

***Sec. 13. Section 29, chapter 156, Laws of 1977 ex. sess. and RCW 18-44.215 are each amended to read as follows:**

The ((four)) escrow commission members shall each receive fifty dollars per day for each day engaged in official business of the commission, plus travel expenses as provided for state officials and employees in RCW 43.03-.050 and 43.03.060, when called into session by the ((director)) commission or when otherwise engaged in the business of the commission.

***Sec. 13. was vetoed, see message at end of chapter.**

Sec. 14. Section 2, chapter 212, Laws of 1971 ex. sess. and RCW 18-104.020 are each amended to read as follows:

~~((As used in))~~ The definitions set forth in this section apply throughout this chapter, unless a different meaning is plainly required by the context((:)).

(1) "Constructing a well" or "construct a well" means and includes boring, digging, drilling, or excavating and installing casing, sheeting, lining, or well screens, whether in the installation of a new well or in the alteration of an existing well.

(2) "Department" means the department of ecology.

(3) "Director" means the director of the department of ecology.

(4) ~~((("Examining board" means the board established pursuant to RCW 18.104.090.~~

(5)) "Ground water" means and includes ground waters as defined in RCW 90.44.035, as now or hereafter amended.

(6) "Operator" means any person, other than a person exempted by RCW 18.104.180, who is employed by a water well contractor for the control and supervision of the construction of a water well or for the operation of water well construction equipment.

(7) "Water well" means and includes any excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed when the intended use of the well is for the location, diversion, artificial recharge, or withdrawal of ground water. "Water well" does not mean an excavation made for the purpose of obtaining or prospecting for oil, natural gas, minerals, or products of mining, or quarrying, or for inserting media to repressure oil or natural gas bearing formations, or for storing petroleum, natural gas, or other products.

(8) "Water well contractor" means any person, firm, partnership, co-partnership, corporation, association, or other entity engaged in the business of constructing water wells.

NEW SECTION. Sec. 15. The following acts or parts of acts are each repealed:

(1) Section 8, chapter 245, Laws of 1971 ex. sess., section 12, chapter 156, Laws of 1977 ex. sess. and RCW 18.44.210; and

(2) Section 9, chapter 212, Laws of 1971 ex. sess., section 55, chapter 34, Laws of 1975-'76 2nd ex. sess. and RCW 18.104.090.

NEW SECTION. Sec. 16. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House May 6, 1983.

Passed the Senate May 6, 1983.

Approved by the Governor May 14, 1983, with the exception of sections 11, 12, and 13, which were vetoed.

Filed in Office of Secretary of State May 14, 1983.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to three sections, Substitute House Bill No. 39, entitled:

"AN ACT Relating to sunset review."

Sections 11, 12, and 13 of this bill were amended into the bill in an attempt to clarify state regulation of escrow agents. The current regulatory picture is unclear as a result of the Supreme Court's issuance of Admission to Practice Rule 12, which became effective January 21, 1983. I agree that a resolution to the many questions of escrow agent regulation must be reached, and have directed the Department of Licensing to work with the Supreme Court toward this end. Unfortunately, these three sections would merely raise additional separation of powers questions. In addition, their content is inconsistent with the bill's title.

With the exceptions of sections 11, 12, and 13, Substitute House Bill No. 39 is approved."

CHAPTER 28

[Second Substitute House Bill No. 295]

STATE EMPLOYEES PAY PERIOD—TWICE A MONTH—APPROPRIATION

AN ACT Relating to state officers and employees; amending section 2, chapter 208, Laws of 1957 as last amended by section 53, chapter 151, Laws of 1979 and RCW 41.04.036; amending section 5, chapter 59, Laws of 1969 as last amended by section 1, chapter 120, Laws of 1980 and RCW 41.04.230; amending section 1, chapter 130, Laws of 1891 as last amended by section 68, chapter 151, Laws of 1979 and RCW 42.16.010; amending section 8, chapter 25, Laws of 1967 ex. sess. as amended by section 72, chapter 151, Laws of 1979 and RCW 42.16.017; adding a new section to chapter 41.04 RCW; creating new sections; and making an appropriation.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 1, chapter 130, Laws of 1891 as last amended by section 68, chapter 151, Laws of 1979 and RCW 42.16.010 are each amended to read as follows:

~~((The salaries of))~~ (1) Except as provided otherwise in subsection (2) of this section, all state officers and employees shall be paid ((monthly on the last day of each month unless the director of financial management shall establish different dates in accordance with RCW 42.16.017. PROVIDED; That the director of financial management may adopt or authorize adoption of semimonthly or more frequent payment schedules for state agencies, in